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Original Title Page

CMA CGM/HJS SLOT EXCHANGE AGREEMENT

ASIA - U.S. WEST COAST

FMC Agreement No. 012332

Expiration Date: In accordance with Article 7 hereof



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CMA CGM/HJS Slot Exchange Agreement  
Asia-U.S. West Coast  
FMC AGREEMENT NO. 012332  
ORIGINAL PAGE NO. 1

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WHEREAS: CMA CGM (defined below) operates a general container service known as the "PRX Service";

WHEREAS: HJS (defined below) jointly operates with Cosco Container Lines Company, Limited "COSCON" under FMC No. 12300 a general container service known as the "PM1 Service"; and

WHEREAS: Each Party wishes to utilize part of the other Party's carrying capacity in order to carry their cargoes in containers.

NOW THEREFORE: in consideration of the premises and the mutual covenants herein contained, the Parties hereto agree as follows:

1. Parties

The Parties to this Agreement are:

CMA CGM S.A. ("CMA CGM")  
4, Quai d'Arenc  
13235 Marseille Cedex 02, France

and

Hanjin Shipping Co., Ltd. ("HJS")  
25 Gukjegeumyung-ro 2-gil, Yeongdeungpo-gu, Seoul 150-949  
Korea

2. Definitions

"Agreement" means this Agreement, to be known as the CMA CGM/HJS Slot Exchange Agreement.

"Party" means either CMA CGM or HJS.

"Container(s)" means any ISO standard container(s) with a maximum height of 9'6" including any reefer and/or other special containers, provided they meet ISO standards.

"Vessel(s)" means a purpose built containership maintained in service by CMA CGM or by HJS.

"Slot" means the space occupied by one 20' x 8' x 8'6" ISO container for the predetermined maximum average gross weight.

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"The Loading Party"	means the Party on whose vessels (owned and/or operated) the containers are loaded. On PM1 Service, Parties agree that HJS is considered to be the Loading Party towards CMA CGM of all vessels employed in the service, as HJS jointly operates this Service with COSCON under FMC No. 12300. On PRX Service, Parties agree that CMA CGM is considered to be the Loading Party towards HJS of all vessels employed in the service.
"The Shipping Party"	means the Party who is shipping containers on the other Party's vessels. On PRX Service, Parties agree that HJS is deemed to be the Shipping Party. On PM1 Service, Parties agree that CMA CGM is deemed to be the Shipping Party.
"String" or "Strings"	means the CMA CGM and HJS strings described in Article 8 hereto.

3. Undertaking and Purpose

Subject to the terms and conditions hereinafter set forth, CMA CGM and HJS undertake to allow each other to charter Slots on a used or unused and roundtrip basis on their Vessels in the geographic scope defined in Article 4 hereof for the carriage of Containers of the volume and on the terms hereinafter further defined. This Agreement shall further serve to authorize the Parties to enter into further agreements as provided under Article 16 herein.

Each Party undertakes to meet its commitment and pay any and all amounts as hereunder described.

4. Scope of the Agreement

This Agreement covers the trade between the ports the ports in Vietnam, China (including Hong Kong) and Korea and the inland and coastal points served by such ports on the one hand, and on the West Coast of the United States, and U.S. inland and coastal points served via such ports on the other hand and vice versa. Such cargo may originate from or be destined for ports or points outside the geographic scope of this Agreement.

5. Containers and Cargo

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The Shipping Party will be allowed to ship only dry-cargo Containers, reefers and empty Containers meeting the definition mentioned in Article 2 hereof. Loaded Containers shall be in a seaworthy condition, containing lawful merchandise of any kind, including IMO cargo, properly packed and secured. Containers not meeting the above criteria may be refused for carriage.

The Parties are authorized to discuss and agree on rules relating to the acceptance of dangerous, breakbulk and out-of-gauge cargoes.

6. Schedules

Parties are entitled to modify the structure of their service, however, should a Party modify structurally its own service and the other Party be of the opinion that such modification is or may be materially detrimental to its own performance on the service, the Parties shall review the terms of this Agreement, and if unable to reach a mutually agreeable resolution within 30 days, either Party may terminate the agreement upon written notice.

7. Duration and Termination

This Agreement shall be valid as from the Commencement Date until any Party serves three (3) months prior written notice to terminate this Agreement. The first notice may not be served within the first nine (9) months as from the Commencement Date, during which time any form of written withdrawal shall be deemed as a breach of this Agreement, unless issued with the written consent of the other Parties.

The "Commencement Date" shall mean the later of (i) the starting dates of the first eastbound voyages from Asian ports of each Service (as defined in Article 8) occurring in on or about week 22 2015, (ii) the date the Agreement has been filed with the FMC and has become effective in accordance with the Shipping Act of 1984, as amended, or (iii) such other date as the Parties may agree in writing but not prior the effectiveness of the Agreement under the FMC.

Notwithstanding the aforementioned, the Agreement may not terminate, unless otherwise agreed, prior to termination of the current roundtrip voyages (Eastbound and Westbound voyages, which means all vessels having returned to Asia and all cargo and containers discharged up to the last port in Asia) having already started at the date of effect of such notice of termination.

At the end of the cooperation, each Party shall have provided the same number of slots to the other Party they received on the other Party

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Service. Should an imbalance of slots be identified, at the end of the Agreement, Parties shall agree on compensation.

Notwithstanding the above, this Agreement can be terminated as follows:

- a) at any time in case of breach of fundamental terms of this Agreement, which terms may be agreed upon in writing from time to time by the Parties; and
- b) at any time upon mutual agreement of the Parties.
- c) at any time in the event PRX and/or PM1 Services is/are terminated and the Loading Party shall advise the Shipping Party in case of the termination of said Service as soon as known.

8. Slot Exchange

CMA CGM shall provide to HJS from its PRX allocation 350 TEUs at 9.5 gwt average or 3325 tons, including 25 45'HC units and 25 reefer plugs per round-trip weekly sailing on a used or not used basis,

and in exchange,

HJS shall provide to CMA CGM from its PM1 allocation 350 TEUs at 9.5 gwt average or 3325 tons, including 25 45'HC units and 25 reefer plugs per round-trip weekly sailing on a used or not used basis.

Upon mutual written agreement, the Parties reserve the right to increase the number of slots sold purchased and/or exchanged up to an amount of 1,000 TEUs/9,500 tons DWT @ 9.5 gwt per TEU as the Parties may agree without the need for further amendment of this Agreement or any filing with the FMC.

The PRX service shall consist of a round trip voyage, calling on a fixed day and weekly basis in such ports within the trade. Initially, the port rotation shall be:

Fuqing – Xiamen – Nansha – Hong Kong – Yantian – Long Beach – Fuqing

The PM1 service shall consist of a round trip voyage, calling on a fixed day and weekly basis in such ports within the trade. Initially, the port rotation shall be:

Vung Tau – Hong Kong – Shanghai – Pusan – Long Beach – Pusan – Qingdao – Shanghai – Ningbo

Any change of the foregoing rotations shall not require further amendment of this Agreement or any filing with the FMC. The Parties are authorized to discuss and agree on the ports to be called, port rotation, and scheduling of the services to be provided hereunder; provided, that the Loading Party will make the final decision with respect thereto.

Additional ports of call may be added on an *ad hoc* basis at the discretion of the Loading Party, if such port call does not affect the time for loading and discharge in regular ports, schedule integrity, service frequency and normal transit time.

Any 40'HC and any 45'HC shall be counted as 2 TEUs.

Any 45'HC shall be counted as 2 TEUs for each 45'HC loaded on board any vessel of the Services within the allocation of each Party as defined in Article 8), and shall be counted as 4 TEUs for each 45'HC loaded on board any vessel of the Services above each Party's allocation shall be counted as 4 TEUs.

The Parties are authorized to sell/purchase/exchange the above referenced space from their respective allocations to/from one another on such terms as they may agree from time to time. The Parties are further authorized to purchase slots in addition to those set forth in the above allocation on a single voyage basis from time to time, on such terms as the Parties may agree and subject to space availability.

The Parties are further authorized to discuss and agree on their respective rights, fair and reasonable allocation of liabilities among the Parties, apportionment of damages, satisfaction of claims, procurement of insurance and claims thereunder, and indemnities for activities under this Agreement, including but not limited to matters pertaining to cargo loss or damage; damage or loss to containers or other equipment; schedule or delivery delays; loss of or damage to a vessel; accidents; hazardous, breakbulk, or oversized cargoes; loss or damage caused by cargo; damage to persons or property; failure to perform; force majeure; general average; and any liability to third parties.

9. Slot Costs

The Parties are authorized to discuss and agree upon the amounts they shall charge each other for the carriage of loaded and empty Containers hereunder, and may adjust said amounts as they may agree from time to time. The Parties are further authorized to discuss and agree upon the terms of payment for the vessel space provided in accordance with this Agreement.

The Parties are authorized to discuss and agree on the operational and financial terms to be applicable on each Service such as reefer surcharge, excess slot count, schedule recovery measures and similar matters.

10. Terminals

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- (a) The Parties are authorized to discuss and agree on the joint and/or individual negotiation of appropriate contracts with terminal operators and stevedores, and to reach agreement on other issues relating to the loading and/or discharge of cargo, such as but not limited to overtime, stand-by time and common costs sharing.
  - (b) Parties agree they will endeavor to select terminals according to the following objective criteria including, but not limited to service level, rates and costs offered to the Parties.  
Subject to the above conditions being respected, Parties agree they will endeavor to select terminals where Parties have equities.

11. Applicable Law and Arbitration

- (a) This Agreement, and any matter or dispute arising out of this Agreement, shall be governed and construed in accordance with the laws of England except that nothing shall relieve the Parties of their obligation to comply with the US Shipping Act of 1984, as amended.
- (b) Any dispute or difference arising out of or in connection with this Agreement which cannot be resolved amicably shall be referred to the exclusive jurisdiction of the High Court of Justice in London. However any dispute relating to loss or damage to cargo or container carried under either Party's B/L shall be referred to the law and jurisdiction mentioned in the B/L of this Party.
- (c) Either Party may at any time call for mediation of a dispute under the auspices of the LMAA (London Maritime Arbitration Association). Unless agreed, such mediation shall not otherwise interfere with or affect anything else including the time bars and Court procedure. If a Party calls for mediation and such is refused, the Party calling for mediation shall be entitled to bring that refusal to the attention of the Court.
- (d) The Parties shall keep confidential all awards made, together with all materials in the proceedings created for the purpose of the mediation, and all other documents produced by another Party in the proceedings not otherwise in the public domain – save and to the extent that disclosure may be required of a Party by legal duty, to protect or pursue a legal right or to enforce or challenge an award in bona fide legal proceedings before a court or other competent judicial authority.

12. Third Parties

Except as otherwise provided herein, the Parties shall not be entitled to sublet slots under this Agreement to any third parties ocean common



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carriers without prior written consent from the Loading Party. Parties agree that CMA CGM is entitled to sub-charter space to its affiliated ocean carrier ANL/USL on PM1 Service.

Any affiliate or subsidiary or third party of a Party receiving space hereunder may not sub-charter that space to any other third-party ocean common carrier without the prior written consent of the other Party. Any Party sub-chartering slots shall remain fully responsible and liable to the other Party for the due performance and fulfillment of this Agreement by persons to whom slots are sub-chartered.

13. Notices

- (a) All legal process, notices or other formal communications required by or in connection with this Agreement shall be in writing and sent by internationally-recognized overnight courier or email (in the case of email, always followed by a copy by registered mail), and addressed to the other Party at its official company address as follows:

To CMA CGM:

CMA CGM S.A.  
4, Quai d'Arenc  
13235 Marseille Cedex 02  
France  
Attn: Mr. Rodolphe Saadé / Mr. Olivier Nivoix  
E-Mail: ho.rjsaade@cma-cgm.com / ho.onivoix@cma-cgm.com

To HJS:

Hanjin Shipping Co., Ltd.  
25 Gukjegeumyung-ro 2-gil, Yeongdeungpo-gu, Seoul 150-94  
Korea  
Attn: Mr. J.H. YOU / Ms. Yun-Jin Son  
E-Mail: johyoo@hanjin.com/ yjson@hanjin.com

- (b) Any such notices, legal processes or other formal communications shall be deemed to have reached the person when they have been posted or dispatched.

14. Non-Assignment

No Party may assign its rights, including its rights to utilize the Container Slots, or delegate its duties under this Agreement to any other person or entity without the prior written consent of the other Party. Notwithstanding the above, each of the Parties may on written notice to

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the other Party assign its rights or delegate its duties under this Agreement to a fully-owned subsidiary that is an ocean common carrier; provided that in the event of such an assignment, the assigning Party shall remain responsible for the due and punctual performance of this Agreement by such a subsidiary.

15. Amendment and Embodiment

This Agreement may not be amended, modified or rescinded except in writing and duly signed by authorized signatories of the Parties, and any amendment, addendum or appendix so signed shall constitute a part of this Agreement at such time as it has been filed with the FMC and has become effective under the Shipping Act of 1984, as amended.

16. Further Agreements

The Parties are authorized to enter into further agreements with respect to routine operational, technical and administrative matters to the extent necessary or desirable to implement the general provisions contained in this Agreement (including, but not limited to, that set forth in Article 8 and 9 hereof) without further amendment to this Agreement. Any further agreement contemplated by this Agreement, except to the extent such further agreement relates to routine operational, technical and administrative matters, shall be filed with the FMC and become effective under the Shipping Act of 1984 prior to being implemented.

17. Compliance with laws

Parties shall at all times be compliant with mandatory applicable U.S. federal and state laws and regulations in force during the course of this Agreement. Any consequence to this Agreement resulting from the non-compliance of a Party with such laws and regulations will be borne in full by that Party.

18. Agreement Officials and Delegations of Authority

The following persons are authorized to subscribe to and file this Agreement and any accompanying materials and any subsequent modifications to this Agreement with the Federal Maritime Commission:

- (i) Any authorized officer of a Party; and
- (ii) Legal counsel for a Party.

19. Confidentiality

Except as required by law or a competent national or supranational authority or as is necessary to obtain advice from professional advisers

operations under this Agreement are confidential to the Parties and no Party shall divulge non-public information gained hereunder to any third Party without the prior written approval of the other Party.

Notwithstanding the aforesaid, Parties may divulge such non-public information to their employees, servants, agents and sub-contractors (including Terminal operators) as is necessary to enable their due performance of the Agreement, provided always that such parties observe confidentiality to the same extent as provided for in this clause.

20. Severability

If any provision of this Agreement, as presently stated or later amended is held to be invalid, illegal or unenforceable in any jurisdiction in which this Agreement is operational then this Agreement shall be invalid only to the extent of such invalidity, illegality or unenforceability and no further. All remaining provisions hereof shall remain binding and enforceable.

**SIGNATURE PAGE**

IN WITNESS WHEREOF, THE PARTIES HERETO HAVE AGREED THIS  
11 DAY OF MAY, 2015 TO ENTER INTO THIS AGREEMENT AS PER THE  
ATTACHED PAGES AND TO FILE SAME WITH THE U.S. FEDERAL MARITIME  
COMMISSION.

**CMA CGM S.A.**

**Hanjin Shipping Co., Ltd.**

By: 

By: \_\_\_\_\_

Name: *Olivier NIVOIX*

Name: \_\_\_\_\_

Date: *11/05/15*

Date: \_\_\_\_\_

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COMMISSION.

**CMA CGM S.A.**

**Hanjin Shipping Co., Ltd.**

By: \_\_\_\_\_

By:  \_\_\_\_\_

Name:

Name: J.H. You

Date:

Date: 2015/5/11